

Message Text

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64

ORIGIN ARA-20

INFO OCT-01 ISO-00 EB-11 EA-11 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 INT-08 STR-08

GSA-02 EUR-25 SSO-00 NSCE-00 INRE-00 SS-20 NSC-10

FEA-02 SCI-06 /189 R

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DRAFTED BY ARA:NC:FJDEVINE:ABH

APPROVED BY ARA:DSZABO

ARA:NC- MR. FORRESTER

EB:ICD- MR. INGERSOLL

ARA:ECP - MR. REYNOLDS

EB:ISM - MR. POLIK

EA:PHL - MR. WILNER

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O 042049Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS IMMEDIATE

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E.O. 11652:N/A

TAGS: EIND ETRD VE US

SUBJ: FERROUS SCRAP FOR VENEZUELA

REF:(A) STATE 234040; (B) CARACAS 0103

1. AS EMBASSY AWARE ON BASIS REF.A, VENEZUELA WAS
ALLOCATED 50,000 SHORT TONS (ST) OF FERROUS SCRAP UNDER
OVERALL U.S. SCRAP EXPORT LICENSE QUOTA OF 2.1 MILLION
SHORT TONS FOR FIRST QUARTER CY 1974. ON JANUARY 11
VENEZUELAN EMBASSY DELIVERED TO DEPARTMENT FORMAL NOTE
REITERATING TOTAL CY 1974 NEED AT 348,000 ST AND
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REQUESTING FIRST-QUARTER ADDITIONAL ALLOCATION OF 30,000 ST

FROM CONTINGENCY RESERVE.

2. DECISION NOW TAKEN TO ALLOCATE TO VENEZUELA 15,000 ST FROM CONTINGENCY RESERVE FOR FIRST QUARTER CY 1974. CONTINGENCY ALLOCATION WILL BE ADDED TO VENEZUELA'S 50,000 ST FIRST QUARTER QUOTA, AND DIVIDED AMONG US SCRAP EXPORTERS ON BASIS THEIR BASE PERIOD (JULY 1, 1970-JUNE 30, 1973) EXPORTS TO VENEZUELA. VENEZUELA'S 15,000 ST CONTINGENCY ALLOCATION IS LARGEST OF FOUR SUCH ALLOCATIONS MADE TO DATE (FYI: OTHERS ARE 6,170 ST FOR BANGLADESH; AND 12,000 ST EACH FOR PAKISTAN AND PHILIPPINES. DETAILS OF THESE OTHER ALLOCATIONS SHOULD NOT BE PASSED TO VENEZUELAN UNTIL AFTER WE HAVE HAD CHANCE TO NOTIFY COUNTRIES CONCERNED. END FYI). WITH THIS CONTINGENCY ALLOCATION VENEZUELA'S OVERALL FIRST QUARTER QUOTA OF 65,000 ST, WILL COVER APPROXIMATELY 75 PERCENT OF VENEZUELA'S ESTIMATED FIRST QUARTER SCRAP NEEDS OF 87,000 ST (WHICH DERIVED SIMPLY BY DIVIDING 1974 REQUIREMENTS ESTIMATE OF 348,000 ST BY FOUR, SINCE VENEZUELAN DID NOT PROVIDE ANY QUARTERLY BREAKDOWN). COMPARISON OF 1974 FIRST QUARTER QUOTAS AGAINST ESTIMATED COUNTRY REQUIREMENTS (SOME OF WHICH, INCLUDING POSSIBLY VENEZUELA'S, MAY HAVE BEEN INFLATED IN HOPES OF OBTAINING ADDITIONAL SCRAP) FOR OUR LEADING FOREIGN SCRAP MARKETS SHOW THAT WITH ONE EXCEPTION NO OTHER COUNTRY WILL HAVE AS MUCH OF ITS ESTIMATED FIRST QUARTER REQUIREMENTS COVERED AS WILL VENEZUELA.(EXCEPTION IS ITALY, WHICH WILL GET HIGHER COVERAGE DUE TO DECISION OTHER EC MEMBERS TO FOREGO ALL OR MAJOR PART OF THEIR FIRST QUARTER QUOTAS IN FAVOR OF ITALY.)

3. DEPARTMENT WILL ADVISE VENEZUELAN EMBASSY OF THIS DECISION AT 11:00 A.M. TODAY FEBRUARY 4. YOU ARE AUTHORIZED SIMULTANEOUSLY PASS THIS SAME INFORMATION DRAWING ON PARA 2 ABOVE, TO APPROPRIATE OFFICIALS OF GOV WITHOUT RPT WITHOUT STATING OR IMPLYING THAT THIS CONSTITUTES USG ACCEPTANCE RECENT GOV THESIS TENDING TO TIE EXPORTS PETROLEUM TO SUPPLY OF VENEZUELA'S NEEDED IMPORTS INDUSTRIAL RAW MATERIALS. YOU MAY ALSO INFORM APPROPRIATE OFFICIALS OF INCOMING AD ADMINISTRATION AND LIMITED OFFICIAL USE

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FEDECAMARAS GROUPS.
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Draft Date: 04 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE022950
Document Source: CORE
Document Unique ID: 00
Drafter: NC:FJDEVINE:ABH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
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ISecure: 1
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30 JUN 2005

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